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Karen Douglas, J.D.  
Chair, California Energy Commission  
1516 Ninth Street, MS-33  
Sacramento, CA 95814

Dear Chairwoman Douglas:

**GRANT FUNDS UNDER PON #400-09-401, SEP MUNICIPAL  
FINANCING PROGRAM**

This letter is to inform you that Los Angeles County has been made aware of your intention to assess the potential re-allocation of grant funds originally awarded under PON #400-09-401, SEP Municipal Financing Program.

Los Angeles County, like other jurisdictions throughout California and the country, is troubled by the Federal Housing Finance Authority's position opposing the senior liens under PACE financing programs and we understand the California Energy Commission's need to adjust the use of these grant funds. We all have high hopes that PACE programs will be viable in the near future.

We will proceed with the roll-out of the Los Angeles County Energy Program (LACEP) this fall. LACEP will work in conjunction with the investor-owned utilities (IOU) in the County to promote and support Whole House Retrofits, IOU rebates, customer and contractor education, and job training programs. The County's anticipated Intergovernmental Agreement with the Commission will play a critical role in achieving our overall program goal of retrofitting 30,000 homes and creating over 2,000 jobs over the next three years.

Our County is also aggressively seeking to develop and implement alternative financing in lieu of the moratorium on PACE financing. We are hopeful of establishing regional, unsecured loan programs as well as utilizing programs being investigated by the Commission and the federal Department of Energy. We believe that offering a viable financing program(s) will be critical in maintaining our goals for retrofitting homes in the region.

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We are pleased to see that the Commission is willing to modify their Municipal Financing Program to support other financing options in light of FHFA's actions. We believe this funding will be an important factor in replacing PACE throughout the state and in helping alternative financing programs gain traction. Los Angeles County is ready to quickly implement and utilize these funds if the Commission moves in this direction and our region is deemed a viable candidate.

Very truly yours,

*Tom Tindall*

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Director

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